

MEMORANDUM

To: Blue Ribbon Commission on Tax Reform

From: Staff

Re: Update on Actions Taken by Commission – Removed from Consideration

Date: November 18, 2012

Dear Commission, below see the tax reform proposals on which the Commission has voted to remove from consideration:

Individual Income taxes

Proposal # 3: Create a tax credit for families that homeschool

Proposal # 5: Eliminate state income taxes for anyone not required to file a federal form

Corporate income taxes

Proposal # 13: Allow companies that are approved for state corporate tax credits under the state's incentive programs to sell those credits on the market to other companies that can utilize them to offset their state corporate tax liability

Proposal # 15: Create a tax credit for businesses that support private and public schools

Proposal # 16: Eliminate capital gains tax for any early stage company that is headquartered in Kentucky

Proposal # 20: Replace the Corporate Income Tax and LLET with a Gross Receipts tax or with some other sources of revenue

Proposal # 21: Require combined reporting for corporations

Proposal # 22: Review tax incentives or loopholes for the coal industry

Proposal # 26: Change the definition of taxable business income to mean "all income which is apportionable under the Constitution of the United States"

Proposal # 27: Repeal the LLET on businesses experiencing a net loss

Sales and excise taxes

Proposal # 33: Exempt business purchases of utility services

Proposal # 37: Implement a back-to-school sales tax holiday

Proposal # 40: Impose a sales tax on food for consumption at home

Property Taxes

Proposal #53: Make private, nonprofit industrial development corporations in purchasing and developing land for business attraction, job creation and capital investment exempt from ad valorem taxes on their real estate holdings

Proposal # 54: Remove the property tax from aviation

Severance Taxes

Proposal # 60: Raise the rate on the Coal Severance Tax

Local Taxation Issues

Proposal # 75: Eliminate or limit (1%) occupational tax for counties less than 30,000

Simplicity, Compliance and Tax Administration

Proposal # 84: Eliminate the requirement forcing taxpayers to file a bond prior to appeal to Circuit Court. Extend the number of days to protest an assessment to at least 60 days and preferably 90 days